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ARKANSAS SECURITIES DEPARTMENT

VIA REGULAR U.S. MAIL

September 5, 2018

Daniel Kam
17777 Center Ct Dr. N #602
Cerritos, CA 90703

Karyn H. Tierney
Arkansas Bar No. 2003120
ktierney@securities.arkansas.gov

RE: Bucket Technologies, Inc.
No Action No. 18-NA-0003

Dear Mr. Wood:

The Arkansas Securities Department ("Department") is in receipt of your letter dated March 27, 2018, requesting that the Department issue a no-action letter concerning the applicability of the Arkansas Uniform Money Services Act as codified at Ark. Code Ann. § 23-55-101 through 1006 to your client, Bucket Technologies, Inc. ("Bucket"). A copy of the request letter is attached for reference.

Based upon the specific facts contained in your request the Staff will not recommend that the Arkansas Securities Commissioner take an enforcement against Bucket if it does not obtain a license from the Department prior to engaging in the activities detailed in your request letter.

Please note that the position of the Staff of the Department is based solely upon the representations made in your request letter and information provided and applies only to the facts as set out therein. Different facts or circumstances might and often would require a different response or opinion from the Staff of the Department. The position of the Staff of the Department expressed in this letter only deals with anticipated enforcement action by the Department. Further, the position of the Staff of the Department does not purport to be and should not be interpreted to be a legal opinion.

Sincerely,

A blue ink signature of Karyn H. Tierney, consisting of a stylized 'K' and 'T' followed by a horizontal line.

Karyn H. Tierney
Arkansas Securities Department



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Daniel C. Wood
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March 27, 2018

Confidential
Via Email and First Class Mail

Arkansas Securities Department
The Arkansas Securities Department
Heritage West Building, Suite 300
201 East Markham Street
Little Rock, Arkansas 72201-1692

**Re: Request For Determination Regarding Money Transmission
Licensure**

To Whom It May Concern:

We submit this letter on behalf of our client, Bucket Technologies, Inc. ("Bucket") to request a determination from the Arkansas Securities Department (the "Department") that Bucket does not need a license under the Arkansas Uniform Money Services Act (the "Act") to perform the activities described below. In connection with this request, we have set forth below (1) a description of Bucket's proposed services and (2) our analysis of why we believe the services do not require a license under the Act.

I. Description of Bucket's Proposed Services

Bucket proposes to operate a technology platform comprised of a website, app, and other technologies (collectively, the "Platform") that allows consumers to automatically save the coin change they would normally receive when paying with cash during retail transactions. In a typical transaction, when a consumer spends cash, the consumer will receive the portion of his or her change payable in paper bills, but rather than accepting coins, the consumer may opt to "bucket the change." In that case, the retailer will give the consumer paper bills that may be owed, and a separate Bucket receipt stating the amount of the coins that were bucketed. The consumer can subsequently scan the receipt using a smartphone app, or manually enter the information into the Bucket website. The amount from the receipt will then be added to the consumer's Bucket account. Once a user's Bucket account reaches \$50.00, the

user may withdraw funds and have them deposited into his or her bank account, donated to a charity, or loaded onto a general purpose reloadable prepaid card. The consumer will not be charged any fees for the service.

With respect to the flow of funds, Bucket will never receive, hold, or control the consumer's money. Bucket will partner with a federally insured financial institution (the "Bank") to handle all funds involved with the service. When a user enters the Bucket receipt information into the Platform, Bucket will transmit the relevant transaction data to the Bank. The Bank will then perform the transfer from the retailer to an account maintained in the Bank's name and ID number. Bucket will have no access to or control over the account where customer funds will be held. Bucket will have access to the account data so as to reflect users' balances in the Bucket platform, and will have the ability to provide instructions to the Bank when a user requests withdrawal of funds from the Bucket account.

The Bucket service will be a Bank product, offered by the Bank to consumers, as managed by Bucket through its operation of the Platform. The users will be informed on the Platform that the money in a Bucket account is held by the Bank, and the withdrawal options performed by the Bank as well.

II. Analysis of Why a Money Transmission License is Not Needed

The Act provides that "[a] person may not engage in the business of money transmission or advertise, solicit, or hold itself out as providing money transmission unless the person: (1) is licensed under this article; (2) is an authorized delegate of a person licensed under this article; or (3) is excluded under § 23-55-103." Ark. Code Ann. § 23-55-201(a). The Act defines money transmission as "selling or issuing payment instruments, stored value, or receiving money or monetary value for transmission," and specifies that money transmission does not include "providing delivery services such as courier or package delivery services or acting as a mere conduit for the transmission of data." Ark. Code Ann. § 23-55-102(12). Payment instrument is defined by the Act as "a check, draft, money order, traveler's check, or other instrument for the transmission or payment of money or monetary value, whether or not negotiable." Ark. Code Ann. § 23-55-102(14). And stored value is defined as "monetary value that is evidenced by an electronic record." Ark. Code Ann. § 23-55-102(19).

Under the proposed service, Bucket's activity would not constitute money transmission. First, payment instruments are not involved in the service. Second, to the extent that the Bucket account might qualify as stored value, it will be issued by the Bank, which is excluded from licensure under § 23-55-103. Third, to the extent

Arkansas Securities Department

March 27, 2018

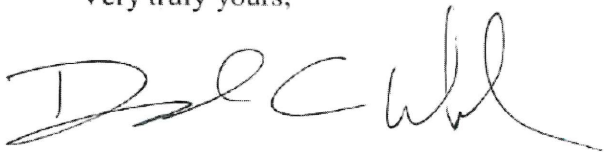
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that money is received for transmission, that too will be provided by the Bank, not Bucket. In short, the activities that fall under the definition of money transmission will only be provided by the bank.

Moreover, because users will be informed that the money transmission services will be provided by the Bank, and the Bucket service will be marketed as a Bank product, Bucket will not be advertising, soliciting, or holding itself out as providing money transmission. Therefore we believe that Bucket will not need a license under the Act for the activities described above.

We greatly appreciate your time and assistance with this matter. If any further information is required or if you have any questions about the information provided above, please feel free to contact me either by email at Daniel.Wood@pillsburylaw.com or by phone at (512) 580-9614.

Very truly yours,

A handwritten signature in black ink, appearing to read 'D. C. Wood', with a stylized flourish at the end.

Daniel C. Wood
Attorney